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FOREX TRADING “GURU” SENTENCED TO NINE YEARS IN PRISON FOR SCAMMING OVER \$11 MILLION FROM INVESTORS

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced that JOEL NATHAN WARD, 49, of Turlock, California, was sentenced today by United States District Judge Garland E. Burrell, Jr. to nine years in prison for masterminding a Ponzi scheme in which nearly 100 investors lost over \$11 million. WARD was also ordered to pay restitution in the amount of \$11,275,501.53 and to serve three years of supervised release after the completion of his prison sentence. He was remanded into custody immediately following the sentencing hearing.

This case is the product of an extensive joint investigation by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation Division.

The Commodity Futures Trading Commission, the federal agency that regulates commodity futures and options markets in the United States, has noted the sharp rise and increasing complexity of foreign currency exchange (“forex”) trading scams. WARD, a frequent commentator and seminar speaker on forex trading, ran an elaborate forex trading scam through an investment fund he controlled called the Joel Nathan ForexFund.

According to Assistant United States Attorneys Benjamin B. Wagner and Ellen V. Endrizzi, who prosecuted the case, sentencing documents filed in the case show that WARD offered investors the opportunity to invest in the foreign exchange interbank “spot” market

through his fund. Between early 2003 and November 2006, WARD took in over \$15 million from investors. Of that, about 85% was diverted to other purposes, including promoting WARD's business interests, salary, travel and other expenses, and purchasing a foreign exchange trading school in Sacramento called Learn:Forex. WARD also used about \$3.7 million to make "Ponzi" payments back to investors who sought to withdraw funds. According to trading records, he only actually traded about \$2 million, and lost virtually all of it in the foreign exchange market. WARD concealed his diversion of funds by sending false account statements to investors purporting to show trading profits. He also defrauded investors in a second scheme relating to a purported real estate investment project in Mississippi. Nearly 100 investors lost a total of over \$11.3 million.

"Joel Nathan Ward earned every minute of the nine-year sentence the court imposed. He brazenly defrauded scores of victims out of over \$11 million," stated US Attorney Scott.

Several victims spoke during the sentencing hearing, telling the judge about the financial devastation caused by WARD's conduct, and their hopes for restitution. In sentencing WARD today, Judge Burrell stated that WARD "defrauded many people. He caused losses over \$11 million, and many investors suffered devastating losses."

The defendant had proposed that he be allowed to remain out of prison while he attempted to generate funds to repay investors. In rejecting that plan, Judge Burrell stated that the "magnitude of his crimes, the manner in which the economic crimes were committed and concealed, and the duration of the criminal activities" required a lengthy prison sentence.

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